

## Message Text

LIMITED OFFICIAL USE

PAGE 01 PARIS 12569 081726 Z

52

ACTION EB-11

INFO OCT-01 EUR-25 ADP-00 CAB-09 CIAE-00 COME-00 DODE-00

INR-10 NSAE-00 RSC-01 FAA-00 RSR-01 L-03 SS-15 NSC-10

DOTE-00 /086 W

----- 006297

R 081556 Z MAY 73

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 9895

LIMITED OFFICIAL USE PARIS 12569

E. O. 11652: N/ A

TAGS: ETRN, FR

SUBJECT: CIVAIR: MINIMUM CHARTER RATES

REF: STATE 84164

1. DEMARCHE TO ABRAHAM OF SGAC PURSUANT REFTEL INSTRUCTION MADE MAY 7.

2. ABRAHAM MADE FOLLOWING POINTS IN REPLY:

( A). FRENCH HAD RESERVED THEIR RIGHTS AS EVIDENCED FEBRUARY 1973 MEMORANDUM OF CONSULTATION, NOTABLY AS REGARDS INTRODUCTION MINIMUM CHARTER RATES.

( B) IN ABSENCE ANY BILATERAL REGULATION OF CHARTER TRAFFIC THERE WAS NO OBLIGATION CONSULTATION AND PRIOR AGREEMENT WITH U. S. BEFORE INTRODUCTION MINIMUM CHARTER RATES.

( C). SGAC MINIMUM 2.40 CENTS PER SEAT MILE RATE ( TGC/ ABC) WAS BASED ON FIGURE OF 2.20 CENTS PER SEAT MILE WHICH ABRAHAM FOUND IN NACA DOCUMENT AND REVISED UPWARDS TO TAKE ACCOUNT DOLLAR DEVALUATION.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 12569 081726 Z

( D). DIFFERENCE BETWEEN AFFINITY MINIMUMS AND  
TGC/ ABC MINIMUMS JUSTIFIED ON GROUNDS DIFFERENCE IN  
BURDEN ADMINISTRATIVE PROCESSING AND COMMISSION COSTS.

( E) . SGAC NOTICE ESTABLISHING MINIMUM FARES HAD  
EXPLICITLY PROVIDED FARES BELOW FRENCH MINIMUM RATES  
COULD BE AUTHORIZED FOR U. S. ORIGIN CHARTERS UPON  
PRESENTATION ECONOMIC JUSTIFICATION BY ARRIER. ABRAHAM  
INSISTED SGAC READY MAKE EXCEPTIONS FOR U. S. ORIGIN  
CHARTERS, BUT WOULD STRICTLY ENFORCE RESPECT MINIMUM  
RATES FOR FRANCE- ORIGIN CHARTERS. SAID NO U. S.- ORIGINATING  
CHARTER CONTRACTS SIGNED TO DATE HAD BEEN REJECTED BY  
SGAC AND HE IMPLIED NONE LIKELY BE REJECTED IN FUTURE AS  
RESULT MINIMUM FARE RULE.

3. ABRAHAM FURTHER JUSTIFIED INTRODUCTION MINIMUM  
RATES ON GROUNDS CHARTER RATES HAD DECLINED TO POINT  
OF MARGINAL COST WHICH WAS " SUICIDAL" OVER LONG RUN  
FOR CARRIERS' EARNINGS. AS EXAMPLE, HE CITED PANAM  
CHARTERS AT 600 FRANCS (\$133) PARIS- NEW YORK ROUND TRIP,  
THUS CHEAPER THAN ROUND TRIP FARE PARIS- CORSICA. ( WE  
SUGGESTED PARIS- CORSICA FARE MIGHT BE TOO HIGH BUT DID  
NOT OTHERWISE COMMENT).

4. ABRAHAM ALSO ALLEGED FRENCH INTRODUCTION MINIMUM  
CHARTER RATES HAD MET WITH FULL SUPPORT AMERICAN  
CARRIERS BUT HE DID NOT ELABORATE FURTHER.

5. APROPOS CAB CONCERN OVER FRENCH MINIMUM CHARTER  
RATES AND ABSENCE ANY PRIOR CONSULTATION, ABRAHAM SAID  
THAT IF CAB WISHES PROPOSE CONSULTATIONS WITH A VIEW TO  
ESTABLISHMENT MUTUALLY AGREED MINIMUM CHARTER RATES  
SGAC WOULD BE DELIGHTED ACCEPT. DECONTROL FOLLOWING MAY 8, 1974.  
IRWIN

LIMITED OFFICIAL USE  
NMAFVVZCZ

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 MAY 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** willialc  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973PARIS12569  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
**Film Number:** n/a  
**From:** PARIS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19730539/aaaailax.tel  
**Line Count:** 97  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 73 STATE 84164  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** willialc  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 20 AUG 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <20-Aug-2001 by izenbei0>; APPROVED <03-Oct-2001 by willialc>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> mcm 980107  
**Subject:** CIVAIR: MINIMUM CHARTER RATES  
**TAGS:** ETRN, FR, ETRN  
**To:** EB  
SECSTATE WASHDC  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005